

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 IO-13 ISO-00 COME-00 TRSE-00 NSC-05

CIAE-00 DODE-00 FEAE-00 AGRE-00 EB-08 AID-05

OMB-01 SP-02 STR-04 XMB-02 GSA-02 /065 W

-----032200 011722Z /53

R 011440Z AUG 77

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 3304

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY BAMAKO

AMEMBASSY BISSAU

AMEMBASSY BRUSSELS

AMEMBASSY BANJUL

AMEMBASSY COTONOU

AMEMBASSY DAKAR

AMEMBASSY FREETOWN

AMEMBASSY LAGOS

AMEMBASSY LOME

AMEMBASSY MONROVIA

AMEMBASSY NIAMEY

AMEMBASSY NOUAKCHOTT

AMEMBASSY OUAGADOUGOU

AMEMBASSY LONDON

AMEMBASSY PARIS

USMISSION USUN NEW YORK

USMISSION GENEVA

C O N F I D E N T I A L SECTION 1 OF 2 CONAKRY 1347

USEEC

USMTN

E.O. 11652: GDS

TAGS: ECIN EGEN US GV

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SUBJECT: ECOWAS

REFS: (A) STATE 159681, (B) CONAKRY 1063

1. RESPONSES BELOW KEYED TO REFTEL (A).

A. IT IS UNLIKELY THAT GUINEA CAN OR WILL DIVERT MANY

RESOURCES TO ACHIEVING ECOWAS GOALS DESPITE CLEAR RHETORICAL SUPPORT. IDEOLOGICAL INTRANSIGENCEANCE OF SEKOU TOURE AND TIES WITH COMMUNIST COUNTRIES REMAIN HINDRANCE TO CLOSER INVOLVEMENT WITH AFRICAN NEIGHBORS, ALTHOUGH SOME WHIFFS OF PRAGMATISM 43 .943 EVIDENT LATELY.

B. IT IS EQUALLY UNLIKELY THAT ANY CURRENT COMMITMENT OF GUINEA WOULD INTERFERE WITH ECOWAS SINCE GUINEA WOULD PROBABLY NOT COMMIT MANY RESOURCES TO ANY OTHER INTERNATIONAL OR REGIONAL ECONOMIC ORGANIZATION EITHER (SEE REFTEL B PARAS 2 AND 3).

C. ABSENCE OF REASONABLE GUINEAN MONETARY POLICY WILL CERTAINLY HINDER ANY ECOWAS EFFORTS TO RATIONALIZE INTERNATIONAL PAYMENT MECHANISMS VIS-A-VIS GUINEA. WE BELIEVE GUINEA WILL CONTINUE TO RELY ON THIRD-COUNTRY CONVERTIBLE CURRENCIES AS PAYMENT MECHANISM. GIVEN VERY SMALL AMOUNT OF LEGAL TRADE DONE BETWEEN GUINEA AND OTHER WEST AFRICAN COUNTRIES WE DO NOT SEE MUC OF A ROLE FOR CLEARING-HOUSE MECHANISM. OTHER AFRICAN ENTITIES DO NOT ACCEPT OBLIGATIONS OR CURRENCY DENOMINATED IN SYLIS (GUINEA CURRENCY) AND GUINEA WILL NOT ACCEPT OTHER REGIONAL CURRENCIES. HARD TO SEE HOW CLEARING-HOUSE COULD RESOLVE THIS PROBLEM WHICH STEMS FUNDAMENTALLY FROM TOTAL LACK OF FAITH BY WEST AFRICANS AND GUINEANS THEMSELVES IN SYLIS (SEE REFTEL PARA 4). EVIDENCE OF CONFIDENTIAL

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EARLIER GUINEAN ATTITUDE TOWARD CLEARING BANK WAS NON-ATTENDANCE AT INAUGURAL MEETING OF WEST AFRICAN CENTRAL BANKS CLEARING HOUSE (75 FREETOWN 2354).

D. LACK OF TRADE BETWEEN GUINEA AND ECOWAS COUNTRIES IS NOT DUE TO TRANSPORT PROBLEMS. NO CONCEIVABLE AMOUNT OF INFRASTRUCTURE IMPROVEMENTS WILL LEAD TO MORE TRADE WITHOUT SUBSTANTIAL CHANGE IN GOG'S ECONOMIC AND POLITICAL POLICIES.

E. AS AN EXPORTER OF BAUXITE, IRON ORE (IN THE FUTURE) AND AGRICULTURAL COMMODITIES GUINEA IS COMPETITIVE WITH OTHER ECOWAS MEMBERS. GUINEA HAS LITTLE TO OFFER THAT OTHER ECOWAS MEMBERS WITH MORE RWSUDLY ADVANCING ECONOMIES CANNOT MATCH. HOWEVER, PRECISELY FOR THIS REASON GAINS FROM ECOWAS COULD BE GREAT SINCE GUINEA COULD SPECIALIZE THUS GAINING ADVANTAGES OF TRADE.

F. THERE IS LITTLE SIGN OF SIGNIFICANT GUINEAN INDUSTRIAL EXPANSION (OUTSIDE THE MINERAL SECTOR) DURING NEXT 10 YEARS. AGRICULTURAL EXPANSION COULD BE RAPID BUT ONLY IF GOVERNMENT AGRICULTURAL PRICING AND ORGANIZATION

POLICIES CHANGE. GUINEA HAS NATURAL ADVANTAGES IN THE CULTIVATION OF RICE, PINEAPPLE, TROPICAL FRUIT, COFFEE, COCOA AND COTTON. GUINEAN COTTON HAS SPECIAL QUALITIES WHICH MAKE IT MARKETABLE TO WEST AFRICAN TEXTILE MILLS (REPORTEDLY, GHANA IS CURRENT CUSTOMER). HOWEVER, DATA AVAILABLE INDICATE GUINEAN AGRICULTURE IS STAGNATING RATHER THAN EXPANDING. GUINEAN ECONOMIC TRENDS ARE SUSCEPTIBLE TO MODIFICATION TO COMPLEMENT OTHER ECOWAS MEMBERS ECONOMIES GIVEN GUINEA'S POTENTIAL ABILITY TO EXPORT VARIOUS TYPES OF FOOD, BUT THERE IS LITTLE EVIDENCE TO ENCOURAGE US THAT THIS WILL OCCUR.

G. GUINEA WILL BE CAPABLE OF MEETING ITS LIMITED COMMITMENTS.
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H. EXACT DATA ARE UNAVAILABLE BUT IMPORT DUTIES ARE
PROBABLY SMALL PROPORTION OF TOTAL GOVERNMENT REVENUE
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OWING TO THE FACT THAT MOST IMPORTS ARE BROUGHT IN BY
GOVERNMENT OR UNDER DIPLOMATIC PRIVILEGE. EXPORT DUTIES
ARE VERY LARGE PROPORTION OF TOTAL DUE TO HEAVY TAXES ON
BAUXITE EXPORTS. SINCE ACTUAL TOTAL GOVERNMENT REVENUE
FIGURES ARE VERY CLOSELY HELD WE CANNOT GIVE EXACT
PERCENTAGE. FUTURE BAUXITE, IRON ORE AND OTHER MINERAL
DEVELOPMENT WILL UNDOUBTEDLY INCREASE PROPORTION OF
GOVERNMENT REVENUES DERIVES FROM MINERAL EXPORT DUTIES.

I. SINCE RECEIPTS FROM MINERALS EXPORTS ARE UNLIKELY TO
BE AFFECTED BY ECOWAS CUSTOMS PROCEDURES AND OTHER
CUSTOMS REVENUES ARE MINIMAL, WE DO NOT FEEL THAT THIS
WILL BE PROBLEM IN GUINEA.

J. SOURCES HERE REGARD ECOWAS SCHEDULE (REMOVAL OF INTRA
ECOWAS CUSTOMS DUTIES BY 1981, FREE TRADE AREA BY 1986,
CUSTOMS UNION BY 1991) AS IMPROBABLE IF GUINEA IS ACTIVE
OR INFLEUNTIAL PARTICIPANT (SEE REFTTEL B PARAS 4 AND 5).

K. ECOWAS MEMBERSHIP FOR GUINEA IS NOT LIKELY TO
AFFECT U.S. TRADE HERE (SEE REFTTEL B PARA 7).

L. AID GIVEN BILATERALLY CAN BE USED AT LEAST TO SOME
EXTENT TO INFLUENCE OR MODIFY GUINEAN POLICIES. WE WOULD
PROBABLY NOT WANT TO CHANNEL MUCH AID THROUGH ECOWAS IF
FUND ALLOWED GUINEA TO CONTINUE POLICIES DESTRUCTIVE OF
BALANCED POLITICAL AND ECONOMIC DEVELOPMENT. ECOWAS
FUND MIGHT NOT BE SIMILAR TO OTHER MULTILATERAL ASSISTANCE
AGENCIES IN THAT IT WOULD PROBABLY NOT BE ABLE TO IMPOSE
THE CONTROLS OR RESTRICTIONS THAT OTHER AGENCIES DO.
FOR EXAMPLE, WORLD BANK BIDDING RULES PREVENT RECIPIENT
FROM MAKING DECISIONS FOR PURCHASE OF EQUIPMENT WITH
WORLD BANK FUNDS ON POLITICAL GROUNDS, RULES ARE GENERALLY

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NK. ECOWAS IS UNLIKELY TO HAVE POLITICAL
MUSCLE TO DO THIS.

W. GUINEA HAS DETAILED YAWAMORY TRAORE, AN IMPRESSIVE,
HIGHLY REGARDED, U.S.- EDUCATED, RELATIVELY PRAGMATIC,
ENGLISH-SPEAKING ECONOMIST, TO ECOWAS; WE UNDERSTAND HE
IS IN LINE TO BECOME ECOWAS' DEPUTY EXECUTIVE SECRETARY
FOR ECONOMIC DEVELOPMENT. TRAORE FORMERLY WAS DIRECTOR
OF STUDIES AND SECRETARY GENERAL OF GUINEA'S MINISTRY OF
ECONOMIC AND FINANCIAL DOMAIN UNDER ISMAEL TOURE, PRESI-
DENT TOURE'S HALF-BROTHER. HIS ASSIGNMENT EVOKES THE
QUESTIONS: TO WHAT EXTENT CAN GUINEAN INVOLVEMENT IN
ECOWAS BRING GRADUAL EVOLUTION IN GUINEA'S ISOLATION IN
WEST AFRICA, AND TO WHAT EXTENT WILL PRAGMATIC FORCES IN
GUINEA USE ECOWAS TO INCH IN THIS DIRECTION.

3. IN RECENT CONVERSATIONS WITH GOG OFFICIALS AND WEST
AFRICAN DIPLOMATS, EMBOFFS GET IMPRESSION THAT GUINEA
WILL TAKE VISIBLE ROLE IN ECOWAS TO AVOID POLITICAL
PARIAH LABEL AND, AS ONE OF POOREST MEMBERS, TO TAKE
ADVANTAGE OF ANY INVESTMENTS, ASSISTANCE, OR TECHNOLOGY
THAT COMMUNITY MAY PROVIDE. AT SAME TIME, SEKOU TOURE
EVIDENTLY DOES NOT INTEND THAT MEMBERSHIP ERODE GUINEA'S
"SOCIALIST" CHARACTER OR HIS SYSTEM OF CONTROL. FOR
EXAMPLE, GOG OFFICIALS DO NOT SPEAK OF FREE MOVEMENT OF
PERSONS THROUGHOUT ECOWAS BUT ONLY "PRIVILEGED
PASSPORTS" FOR MEMBER CITIZENS: MOVEMENT OF LABOR FORCE
AND TECHNICIAR MUST BE "CONTROLLED", I.E. SUBJECT TO
GOVERNMENT AGREEMENTS. IT WILL BE INTERESTING TO SEE
HOW GOG WILL RECONCILE ITS DETERMINATION TO "BE ITSELF"
WITH MOMENTUM TOWARD ECONOMIC COOPERATION AND EVEN
POLITICAL RECONCILIATION ECOWAS REPRESENTS.
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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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From: CONAKRY USEEC
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